

MINUTES

RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING

MAY 25, 2012

The 313th meeting of the Rhode Island Higher Education Assistance Authority was held Friday, May 25, 2012 in the McKenna Conference Room, 560 Jefferson Blvd., Warwick, RI. Chairman Santoro called the meeting to order at 8:30 a.m.

Board Members in Attendance:

Dr. Anthony J. Santoro, Chairman

Dr. William Croasdale, Vice Chairman

Mr. John Howell, Secretary

Mr. Solomon A. Solomon

Ms. Faith LaSalle, Esq.

Mr. Christopher Feisthamel, designee for General Treasurer Gina Raimondo

Board Members Absent:

None

Also Attending:

Mr. Charles Kelley, Interim Coordinating Officer

Mr. Joseph Palumbo, Esq., Legal Counsel
Mr. Marc Lacroix, Chief Financial Officer
Ms. Dana Peterson-Fatuda, Assistant Administrative Officer
Mr. Charles Miller, Chief Information Officer
Ms. Kathleen Sisson, Director, WaytogoRI
Ms. Linda Makhlouf, RIHEAA
Ms. Clordine Cox, RIHEAA
Mr. Thomas Pearce, RIHEAA
Mr. Kevin Elliott, RIHEAA
Mr. Michael Joyce, RIHEAA
Ms. Lisa Labelle, RISLA
Ms. Gina Macris, The Providence Journal
Ms. Susan Lapanne, Office of Higher Ed.
Ms. Paula Dominguez, Legislative Policy Advisor
Ms. Carolyn Dias, RI Dept. of Ed.
Ms. Peg Votta, RI Dept. of Ed.

1. Minutes of the Board of Directors' meeting held on April 20, 2012 were unanimously approved.

2. Chairman's Report: No Chairman's Report

3. Interim Coordinator's Report: Mr. Kelley stated that the budget report will be released next week.

4. Cooperative Agreement with RIDE: Mr. Kelley introduced Carolyn Dias and Peg Votta of the Rhode Island Department of Education (RIDE), Ms. Dias is the CFO and Ms. Votta is the Research Specialist.

A copy of the draft agreement was distributed. Dr. Santoro stated he had not had a chance to review the agreement, but it is a worthwhile project that needs to be looked at very carefully. Dr. Santoro stated that he does not know if RIHEAA will be in existence as of July 1st, and doesn't know if RIHEAA should make a decision or whether the decision will be with the Office of Higher Education (OHE), but understands that a decision does not have to be made today.

Ms. Dias stated that whatever the General Assembly decides, the program and contract will follow. Ms. Dias stated that today's hope is to have the Board move forward with executing the contract.

Ms. Dias stated that in order for RIDE to receive federal funding the federal government has asked for documentation that the money has been obligated; the way to do that is enter into an MOU with RIHEAA.

The funding will be extended for one year. The plan is: to secure the funding, determine deliverables, and develop a RFP. The portal will be integrated into our Race to the Top programs.

Dr. Santoro stated that the work does not have to necessarily go to XAP and Ms. Dias agreed. Dr. Santoro asked Ms. Dias if the board could see the federal contract. Ms. Dias stated that she will provide that documentation to the board.

Dr. Santoro asked if OHE is on board with this and Ms. LaPanne stated yes, they are.

Mr. Feisthamel asked if anyone knows what the on-going maintenance cost will be, and Ms. Sisson stated that will be determined by what is built, so RIHEAA does not know what the ongoing maintenance costs will be. Ms. Dias stated that RIDE will sustain the maintenance cost.

Ms. Doyle stated that we can not make promises regarding the future up keep of the program.

Ms. Dias asked the board about its concerns regarding the program; is it the on-going cost, the RFP, and/or the federal contract. She stated that she will bring the concerns back to RIDE and have the answers to the board within two weeks.

Mr. Feisthamel asked, what are the requirements of the Federal Government to secure the commitment of funds. Ms. Dias stated that an executed contract will secure the commitment. She stated that it is necessary to provide the Federal Government with

information that says the money is obligated to be spent for specific purposes.

Mr. Howell asked if RIDE has looked beyond the model of schools, for example the older population, veterans and/or possibly looking to link this with K-20. Ms. Sisson stated they are currently in conversations with RIDE and regarding Adult Education initiatives.

Mr. Howell asked if the \$1.2 million is enough to do what the contract calls for, and what expectations RIDE has as to whether the RFP might result in higher or lower bids. Ms. Dias explained that RIHEAA would only be obligated to spend up to the amount allocated by RIDE, and could implement stop gap measures in the contract.

Ms. Votta stated that the documentation explains the budget break-out. Ms. Votta stated that \$900,000 should support the project and salaries. She stated that the administration of a RFP should be governed by RIHEAA, but an advisory committee should include OHE, and RIDE. She stated that program management and reporting will be overseen by WaytogoRI.

Mr. Feisthamel stated that his concern is if the project comes in over the \$1.5 mil, where does the extra money come from. Ms. Dias stated RIDE will have to provide additional funding to support the project. She reiterated that RIHEAA is only obligated to work up to that point. If modifications are necessary, that should be communicated and/or

changes to the scope of the project would have to be discussed.

A motion was made by Dr. Croasdale and seconded by Ms. Doyle to pursue a Memorandum of Understanding (MOU) with RIDE that is acceptable to legal counsel. Voted in favor: Dr. Santoro, Dr. Croasdale, Mr. Howell, Ms. Doyle, Ms. Lasalle, Mr. Solomon and Mr. Feisthamel.

Voted against: None

5. Grant/Scholarship Update: Mr. Joyce stated that we did not see a 15% up tick in applications; for the first time it is level like last year. Mr. Kelley clarified that it is not the number of people qualifying for aid, but those that applied prior to March 1st. In the past we had an equal number of people that applied for grants before March 1st than applied after March 1st. Dr. Croasdale asked Mr. Joyce to take a look at the enrollment projections for the high schools.

Mr. Joyce stated that as of March 23, 2012 we had 23,848 applicants while last year we had 23,678. Based on those numbers and the Governor's proposed budget Mr. Joyce stated that we could sustain the \$700 maximum grant.

Mr. Feisthamel asked what happens to someone who applied for a state grant after March 1st. Mr. Joyce stated that he tries to email/mail the student and let them know that they could have

qualified for a grant, and remind them to fill out the FAFSA before the deadline. Mr. Kelley stated that the College Planning Center will assist with scholarship searches, Pell Grants, things of that nature. Mr. Joyce stated that they cover that at the Financial Aid nights as well.

Mr. Joyce reported that the available pool of money this year is \$12.2 mil., which includes revenues from CollegeBoundfund. Mr. Lacroix stated he is hoping the legislature will include Academic Promise, which is about \$1 million annually.

6. Action Item: 2012 – 2013 (FY 13) State Grant Funding:

A motion to approve the State Grant formula at a maximum level of \$700 per grant for the 2012- 2013 FY contingent on sufficient state appropriations was made by Dr. Santoro and seconded by Mr. Solomon.

Voted in favor: Dr. Croasdale, Mr. Howell, Mr. Solomon, Ms. Doyle, Ms. Lasalle, Mr. Feisthamel, and Dr. Santoro.

Voted against: None

7. Future of RIHEAA: Dr. Croasdale stated that he would like to see RIHEAA remain separate from RISLA and to keep the management of the agencies separate. A discussion ensued. Dr. Santoro stated that he believes that the \$22 million in reserves will be an on-going

conversation after the legislative session.

8. CBf – Focus Group RFP review: Mr. Kelley stated that the Joint Focus Groups are for the Rhode Island market only. He stated that the purpose is to find out why people are switching to other plans, and why Rhode Islanders do not use CollegeBoundfund or save for college. Mr. Kelley reported that four bids were received, and all are qualified firms. He stated that a review committee was established comprising Ms. Mance-Rios, Mr. Joyce and Mr. Kelley. He stated that Lisa Labelle checked references. Mr. Kelley stated that the committee recommended the lowest bidder - Market Decisions; it also has experience with focus groups. Mr. Kelley stated that this information was shared with the Treasurer's Office. Mr. Kelley asked the board to review the material and let him know if they have any questions.

There being no further business to come before the Board of Directors, the meeting adjourned.

Adjournment was at 10:00 a.m.

Mr. John Howell
Secretary